



## DISCLOSURE TO BUYER FROM SELLER'S AGENT OR SUBAGENT

*Note: This form must be used by real estate agents working with buyers as agents or subagents of the seller.  
[N.C. Real Estate Commission Rule 21 NCAC 58A .0104(e), eff. 7/1/95].*

Firm Name: \_\_\_\_\_ Agent Name: \_\_\_\_\_

### AGENCY DISCLOSURE

When showing you property and assisting you in the purchase of a property, the above-referenced agent and firm will be representing the interests of the SELLER. As such, the firm and its agents must work to obtain for the seller the best price and terms possible. The firm and its agents must also furnish the seller any information obtained from you or any other source which is material to the transaction or which might influence the seller's decision to sell. **Therefore, as a buyer, you should not give the seller's agent any information that you do not want the seller to know.**

### ACKNOWLEDGEMENT

**(DO NOT SIGN THIS FORM UNTIL YOU HAVE READ BOTH SIDES.)**  
By signing below, I acknowledge that I have received a completed copy of this form.

\_\_\_\_\_  
Buyer's Name (Print or type)

\_\_\_\_\_  
Buyer's Name (Print or type)

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

### INSTRUCTIONS TO AGENTS

1. Review the "Description of Agent Duties and Relationships" on the second page of this form with the buyer(s) at the time of your first substantial contact with the buyer(s).
2. Explain the type(s) of agency (seller agency, buyer agency, dual agency) your firm offers.
3. Enter your name and the firm name at the top of this form and review the Agency Disclosure with the buyer(s)
4. Have the buyer(s) complete the ACKNOWLEDGEMENT above.
5. Give the buyer(s) a copy of this form, and retain the signed original for your files.

**NOTE:** If your firm will act as a buyer's agent, do not use this form. Enter into a buyer agency agreement with the buyer.

## DESCRIPTION OF AGENT DUTIES AND RELATIONSHIPS

Before you begin working with any real estate agent, you should know who the agent represents in the transaction. Every listing agreement, buyer agency agreement or other agreement for brokerage services in a real estate sales transaction in North Carolina must contain this "Description of Agent Duties and Relationships" [N.C. Real Estate Commission Rule 21 NCAC 58A .0104(c), eff. 7/1/95]. Real estate agents should carefully review this information with you prior to entering into any agency agreement.

### AGENTS' DUTIES

When you contract with a real estate firm to act as your agent in a real estate transaction, the agent must help you obtain the best price and terms possible, whether you are the buyer or seller. The agent also owes you the duty to:

- Safeguard and account for any money handled for you
- Be loyal and follow reasonable and lawful instructions
- Act with reasonable skill, care and diligence
- Disclose to you any information which might influence your decision to buy or sell

Even if the agent does **not** represent you, the agent must still be fair and honest and disclose to you all "material facts" which the agent knows or reasonably should know. A fact is "material" if it relates to defects or other conditions affecting the property, or if it may influence your decision to buy or sell. *This does not require a seller's agent to disclose to the buyer the minimum amount the seller will accept, nor does it require a buyer's agent to disclose to the seller the maximum price the buyer will pay.*

### AGENTS WORKING WITH SELLERS

A seller can enter into a "listing agreement" with a real estate firm authorizing the firm and its agent(s) to represent the seller in finding a buyer for his property. The listing agreement should state what the seller will pay the listing firm for its services, and it may require the seller to pay the firm no matter who finds the buyer.

The listing firm may belong to a listing service to expose the seller's property to other agents who are members of the service. Some of those agents may be working with buyers as buyers' agents; others will be working with buyers but still representing the seller's interests as an agent or "subagent." When the buyer's agents and seller's subagents desire to share in the commission the seller pays to the listing firm, the listing agent may share the commission with the seller's permission.

### AGENTS WORKING WITH BUYERS

A buyer may contract with an agent or firm to represent him (as a **buyer's agent**), or may work with an agent or firm that represents the seller (as a **seller's agent or subagent**). All parties in the transaction should find out at the beginning who the agent working with the buyer represents.

If a buyer wants a buyer's agent to represent him in purchasing a property, the buyer should enter into a "buyer agency agreement" with the agent. The buyer agency agreement should state how the buyer's agent will be paid. **Unless some other arrangement is made which is satisfactory to the parties, the buyer's agent will be paid by the buyer.** Many buyer agency agreements will also obligate the buyer to pay the buyer's agent no matter who finds the property that the buyer purchases.

A buyer may decide to work with a firm that is acting as agent for the seller (a **seller's agent or subagent**). If a buyer does not enter into a buyer agency agreement with the firm that shows him properties, that firm and its agents will show the buyer properties as an agent or subagent working on the seller's behalf. Such a firm represents the seller (**not the buyer**) and must disclose that fact to the buyer.

A seller's agent or subagent must still treat the buyer fairly and honestly and disclose to the buyer all material facts which the agent knows or reasonably should know. The seller's agent typically will be paid by the seller. **If the agent is acting as agent for the seller, the buyer should be careful not to give the agent any information that the buyer does not want the seller to know.**

### DUAL AGENTS

A real estate agent or firm may represent more than one party in the same transaction only with the knowledge and written consent of all parties for whom the agent acts. "Dual Agency" is most likely to occur when a buyer represented by a buyer's agent wants to purchase a property listed by that agent's firm. A dual agent must carefully explain to each party that the agent and the agent's firm are also acting for the other party.

In some situations, the agents may practice a form of dual agency known as "designated agency:" an agent in a firm is designated to represent the interests of the seller, and another agent in the same firm is designated to represent the interests of the buyer. This form of dual agency allows the designated agent to more fully represent the interests of the party with whom the agent is working.

In any dual agency situation, the agent must obtain a written agreement from the parties which fully describes the obligations of the agent and the agent's firm to each of them.